

J. M. Hulse



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Breeden Painting Company, Inc.

File: B-235776.2

Date: October 16, 1989

DIGEST

Unsuccessful offeror's protest based on ground that it should have been selected for award of firm, fixed-price contract because it proposed the lowest price is denied where the solicitation made technical considerations more important than cost and agency reasonably concluded that the technical superiority of the awardee's proposal was worth the additional cost.

DECISION

Breeden Painting Company, Inc. protests the award of a contract to Hess, Sweitzer and Brant, Inc. by the Air Force under request for proposals (RFP) No. F34650-89-R-0028 for protective coating maintenance at Tinker Air Force Base (AFB). Breeden contends that the Air Force improperly found the awardee's offer the most advantageous to the government and argues that the Air Force should have awarded the contract to the protester because Breeden's proposed price was approximately 30 percent lower than the awardee's price.

We deny the protest.

The RFP, which was issued on February 22, 1989, contemplated the award of a firm, fixed-price contract for protective coating maintenance, which included painting and repair services and equipment for a 5-year period (1 year basic period of performance plus four 1-year option periods). The contract will be performed at Tinker AFB, which encompasses an approximate 5,000-acre area, including several hundred buildings and miles of streets and curbing. The RFP called for the submission of cost and technical proposals and provided that award would be made to the firm submitting the proposal which was the most advantageous to the government, considering price and technical factors.

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The RFP further provided that in the evaluation of proposals, technical considerations were to be given more weight than cost/price factors and that the following four technical factors, listed in descending order of importance, would be of primary consideration: (1) Management, (2) Workload (3) Quality, and (4) Safety. The RFP emphasized that "cost/price will be secondary consideration to the four areas of primary consideration and the Government reserves the right to award to other than the lowest proposed price." The solicitation also noted that once an offeror's technical proposal was found acceptable, its cost proposal would be reviewed to confirm that all proposed prices were complete, realistic and reasonable.

Nine proposals were received by the April 21, 1989, closing date. The Source Selection Evaluation Team, after conducting technical evaluations of the proposals and holding discussions, requested that best and final offers (BAFOs) be received by May 30, 1989. The initial offers and BAFOs were evaluated using an adjectival and color coding system. Of 14 rating categories, Hess, Sweitzer's proposal ranked highest, having received nine exceptional ratings and five satisfactory ratings; the evaluators also concluded that its proposal presented low technical risks. On the other hand, Breeden's proposal was ranked overall substantially lower than Hess, Sweitzer's proposal under every technical evaluation factor listed in the RFP, having received zero exceptional ratings, eight satisfactory ratings, and six marginal ratings. The evaluators also found that the protester's proposal presented moderate to high risk in all four technical areas. Additionally, the evaluators noted that, since Breeden's experience was limited to projects much smaller in scope than here, serious doubt existed as to Breeden's capability to perform all of the requirements of a contract of this magnitude.

Regarding price, of the three firms considered in the final evaluations for award, Breeden's proposal was lowest in price, but it was also rated lowest technically, and was considered substantially inferior to the other two technical proposals. Of the two remaining firms, which were rated substantially equal in the technical evaluations, Hess, Sweitzer's proposal was lower in price. The Air Force also reports that its price analysis confirmed that Hess, Sweitzer's proposed price was complete, realistic and reasonable and that the agency's evaluators took no exception to Hess, Sweitzer's final proposed price of \$3,407,511, or to its underlying cost information.

The results of the final proposal evaluation were presented to the Source Selection Authority (SSA) and on June 14, 1989, the SSA issued his source selection decision to the contracting officer authorizing an award to Hess, Sweitzer. Noting that all proposals in the competitive range were "adequate" when measured against the RFP evaluation criteria, the SSA found that Hess, Sweitzer was technically superior to the rest and "provides the Air Force with the combination of management, workload, quality, safety and cost/price approaches most valuable to the Air Force." The SSA specifically concluded that the technical superiority of Hess, Sweitzer's proposal was worth the additional cost and awarded a contract to the firm on June 16, 1989. This protest followed.

The protester essentially contends that the source selection decision was erroneous and lacked adequate justification for an award to a higher-priced offeror since the protester's proposed price was approximately 30 percent lower than the award price. The agency responds that it made a proper price/technical tradeoff in its decision to award to Hess, Sweitzer, and that such a tradeoff was contemplated by the RFP.

We agree with the agency. The RFP specified that award would be made to the firm submitting the best overall proposal with primary consideration being given to technical merit. Our Office has consistently held, and the protester acknowledges, that the government is not required to make award to a technically acceptable firm offering the lowest price under an RFP unless the RFP specifies that price will be the determinative factor. We have upheld awards to technically superior, higher-priced offerors where the record shows that the offeror's price premium was justified in light of its technical superiority. Kunkel-Wiese Inc., B-233133, Jan. 31, 1989, 89-1 CPD ¶ 98; Unidynamics/St. Louis, Inc., B-232295, Dec. 21, 1988, 88-2 CPD ¶ 609.

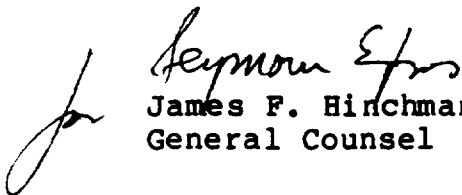
Breeden does not challenge the agency's technical rating of the proposals. Thus, our review is limited to the reasonableness of the agency's price/technical tradeoff determination. Here, we think that the record supports the agency's source selection decision to award to Hess, Sweitzer as the technically superior offeror. In concluding that Hess, Sweitzer provided the best overall value to the government, the SSA in his determination specifically stated that he considered the awardee's technical superiority under each of the four evaluation factors listed in the RFP.

Initially, as indicated above, the base consists of several hundred buildings and miles of streets and curbing. The

base has more than 5000 acres to maintain and includes one building of more than 60 acres. The contractor is required to provide all personnel, vehicles, equipment, materials and supervision to perform protective coating maintenance for the entire base.

Given the magnitude of the requirement, the Air Force reports that it had significant doubt as to Breeden's ability to perform the contract and concluded that Breeden's proposal posed substantially more risk compared to the awardee's proposal. First, while Hess, Sweitzer's management proposal was considered exceptional, Breeden's rating was considered satisfactory in some aspects, but marginal in other aspects. Specifically, Breeden's manual record keeping system was considered more of a risk regarding managing the work than the awardee's computerized system. The awardee also proposed personnel which had considerable experience in managing a contract of this scope. Second, concerning the workload factor, the agency had questions concerning Breeden's ability to adjust to rapidly changing or conflicting workloads under the contract. In this regard, the Air Force was concerned that Breeden's planned workforce appeared low for the contract requirements. Third, the agency rated Breeden a higher risk than the awardee because its proposal did not provide an indepth quality control plan compared to the awardee's more detailed and comprehensive plan. Fourth, regarding safety, the agency found the awardee's safety plan was "very thorough" and, based on Hess, Sweitzer's experience and demonstrated capabilities, concluded the safety risk posed by Hess, Sweitzer was low. In contrast, Breeden's proposal raised moderate safety risk concerns. Given the technical superiority of the awardee's proposal and the risk associated with the protester's proposal, we have no basis to question the reasonableness of the agency's determination that Hess, Sweitzer's proposal offered the best value to the government within the terms of the RFP.

Accordingly, the protest is denied.


James F. Hinchman
General Counsel